



U.S. Congressman

Dave Obey

Covering Prescription Drugs Under Medicare

June 2003

Wisconsin's 7th District

White House Drug Plan Could Push Seniors Out of Traditional Medicare Program Into Private HMO Schemes

Medicare, as you know it, is facing the biggest threat since it was enacted in 1965.

Before Medicare was adopted many senior citizens with fixed incomes, who became seriously ill, were often faced with bankruptcy and financial ruin. Medicare provided a badly needed medical safety net for all of America's senior citizens. It was a Godsend in 1965 – and it still is today.

New Knowledge

But one thing has changed. In 1965, our medical knowledge was much more limited than it is today. But since then, your tax dollars have paid for invaluable medical research by scientists under the National Institutes of Health, the world's leading medical research institute. That research has produced some important medical breakthroughs in the prevention, treatment and cure of diseases.

New Medicines

Many times the result of that taxpayer financed medical research has been used by the pharmaceutical

industry to develop new medicines that have turned once life-threatening diseases, like heart disease, into something that can be managed with medicine. But that has often been a mixed blessing because the cost of some of these new drugs is astronomical. Medicare needs to be updated so that it will help seniors pay for these lifesaving drugs.

New Dangers

But that need is being used by some people as an excuse to radically change Medicare as we know it.

The Drive to Privatize

The White House has been promoting a proposal to potentially privatize Medicare – in effect, turning a universal government medical safety net guarantee into an insurance company run program.

The White House plan would say, "Okay senior citizen, we will provide a modest drug benefit, but only if you agree to leave the Medicare program and switch to a managed care or HMO plan."

The Hearst News Service reported it this way:

"The White House wants the private sector to play a larger role by encouraging seniors to drop their traditional Medicare coverage and switch to managed care plans. To entice seniors the President's plan would add insurance coverage for prescription drugs for those who opt for managed care."

That could ruin Medicare as we know it. It would turn a program which now covers all seniors into a split-level, two-tiered program with people who need prescription drug help the most forced to walk away from their traditional Medicare protection and instead trust the tender mercies of insurance companies who run managed care plans. It could also have the effect of having seniors lose the ability to choose their own doctor.



I had a chance to listen to central and northern Wisconsin seniors' concerns about the difficulties they face in getting affordable prescription medicines.

Continued on Back

This mailing was prepared, published, and mailed at taxpayer expense.

It is being mailed in recognition of the public's right to know about major choices faced by their Representatives.

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Wisconsin's 7th District

Preserve Medicare

Some of us in Congress believe there is a better way. We are pushing legislation that would expand Medicare to provide prescription drug coverage for all seniors.

Bring Down Drug Prices

We would also give Medicare the right to negotiate with the drug companies on behalf of all seniors in order to get lower prices for prescription drugs.

Americans Get Fleeced

In almost every other Western country, like Canada, Germany and France for example, the government uses its volume buying power to negotiate lower drug prices for their citizens. Example, seniors in the Northwest pay over \$100 for Zocor, a drug, which is used to fight cholesterol. In Canada they pay \$27.00 for the same drug. Another example is the drug Prilosec which is used for ulcers. In Wisconsin, seniors pay \$115 for it while seniors in Canada pay about half that amount, \$60.00.

We face a huge fight on this issue in the next month. Hearst News Service reported that secret documents from the drug industry show that industry plans to spend almost \$150 million to try to stop us from passing legislation to help push drug prices down. You need to be aware of this fight. Please inform yourself. This fight is important to America.

There are two things I intend to fight for: First, to expand Medicare by adding a prescription drug benefit for all seniors and to provide Medicare with the right to negotiate for lower drug prices for American citizens so that the drug company cannot continue to take Uncle Sam for Uncle Sucker;

Second, a benefit that's big enough to give significant help to seniors rather than being a token program that doesn't give enough help to make a difference.

If Congress can afford to give \$40 billion in tax breaks to millionaires next year, it can afford to give a significant drug benefit to seniors on fixed incomes whose finances are a lot more squeezed.

I intend to oppose efforts to hold seniors hostage by telling them they must leave Medicare protection as they have known it and trust their future to the insurance industry in order to get prescription drug help. There's no reason why a prescription drug benefit cannot be provided to seniors who so badly need it without shredding the Medicare program that seniors have come to rely upon.

I will be sending further information as this fight unfolds. ■

American Seniors Gouged by Drug Makers

